

VZCZCXRO8386
OO RUEHCN RUEHGH RUEHVC
DE RUEHBJ #2927/01 2110937
ZNY CCCCC ZZH
O 290937Z JUL 08
FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8846
INFO RUEHOO/CHINA POSTS COLLECTIVE
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RHMFISS/CDR USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 002927

SIPDIS

E.O. 12958: DECL: 07/29/2033

TAGS: [PREL](#) [PARM](#) [UN](#) [CH](#) [TW](#)

SUBJECT: PRC MULLING OVER INTERNATIONAL SPACE FOR TAIWAN

REF: A. GUANGZHOU 408

[1](#)B. SHANGHAI 280

[1](#)C. BEIJING 2218

[1](#)D. BEIJING 2275

[1](#)E. BEIJING 2435

[1](#)F. BEIJING 2645

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) Mainland policy makers are devoting considerable study and discussion to the question of Taiwan's international space, recognizing that the issue will have to be addressed in September if/when Taiwan makes its annual bid to rejoin the UN. State Council Taiwan Affairs Office (TAO) Director Wang Yi reportedly told a visiting U.S. expert that Taiwan and the United States must take steps to ensure that conditions are suitable for increased international space. Some contacts expect considerable flexibility in allowing Taiwan to participate in the World Health Organization (WHO), while others argue that Beijing should maintain its strict policy against participation in UN-affiliated organizations that might suggest dual recognition or country status for Taiwan. Beijing is mulling over what would be an appropriate level of Taiwan representation at the late November APEC Summit in Peru. Contacts acknowledge that the Mainland has tacitly accepted Taiwan President Ma Ying-jeou's proposal for a diplomatic ceasefire, but note that it is difficult for Beijing to reject countries who want to switch recognition. Contacts expressed concern about Ma's August transits through the United States.

Conditions Must Be Right

[1](#)2. (C) According to a visiting U.S. expert who met with State Council Taiwan Affairs Office Director Wang Yi on July 3, Wang told her that the conditions for Taiwan's participation in international organizations must be right and that Taiwan and the United States will play a key role in creating the appropriate environment. For example, Wang said, how Taiwan approaches its annual UN bid in September and whom it chooses to send to APEC will factor into the Mainland's approach to the question of Taiwan's international space. The United States can help create the proper conditions by handling appropriately Ma's requested transits in August and arms sales to Taiwan, he added. The U.S. expert told PolOff on July 7 that Wang said the question of Taiwan's international space is under serious study, echoing comments from other officials and contacts (refs A-E).

Debate over Taiwan in International Organizations

13. (C) Embassy contacts differ on the question of how much leeway the Mainland will grant for Taiwan's participation in international organizations, but agree that the issue will have to be addressed in September if/when Taiwan makes its annual bid to rejoin the UN. Yuan Peng, Director of the North American Institute at the Ministry of State Security-affiliated China Institutes for Contemporary International Relations (CICIR), told PolOff on July 22 that "China intends to be flexible," on Taiwan's participation in international organizations. He noted that it was "very unfortunate" that the World Health Assembly (WHA) meeting occurred on Chen Shui-bian's last full day in office, because had the Assembly taken place even a week later, China would have been prepared to make some "significant concessions." China is interested in allowing Taiwan to expand its participation in international organizations "as appropriate." Beijing is worried, however, that in the future, the current "friendly" KMT regime could give way to a more independence-minded DPP administration, which could then use any gains the KMT had made for Taiwan in international space to push its independence goals. Still, Yuan Peng predicted that in 2009 China will allow WHO observer status for Taiwan.

14. (C) Tsinghua University Professor Chu Shulong similarly told PolOff July 11 that observer status in the WHA under the name Chinese Taipei next May would not be a problem. However, participation in the WHO itself would require some "new arrangement" because Taiwan would not accept Associate Membership, which would require Taiwan to acknowledge that

BEIJING 00002927 002 OF 003

the PRC "controls" its foreign affairs (ref E) and the Mainland could not accept Taiwan's full membership under any name, because that would create "two Chinas" or confer "country status" on Taiwan. Chu does not expect a Taiwan UN bid this September to cause cross-Straits tensions. He expects Taiwan to make a "pro forma" effort to join the UN under the name Republic of China and that PRC will block the bid in a low-key manner. Yuan Peng pointed out that "the KMT also had a referendum on joining the UN, so China has always known that people expect Ma to make another application." Yuan Peng said that China will handle Taiwan's 2008 UN bid "as usual."

15. (C) Looking at the bigger picture, Chu said that the Mainland is "unwilling" to confront the key questions of sovereignty and Taiwan's status. For example, there is no discussion about Ma's proposal for "mutual non-denial." (Note: On March 23, 2008, Ma, noting that formal joint recognition between the two sides is impossible now, proposed that the two sides not deny the existence of the other side. "Mutual non-denial" (hubuforen) has become the shorthand for this idea.) Nor is there discussion about Taiwan Vice President Vincent Siew's formulation to "face reality" in cross-Straits relations. Chu joked that since there is no agreement about "what reality is," it is difficult to know how to face it. For these reasons, Chu rejected fellow Tsinghua professor Yan Xuetong's assessment (ref F) that expansion of Taiwan's international space is already decided. Chu insisted that Mainland authorities' consideration of Taiwan's international space is "case-by-case," and they have made no "overarching" decision on how to address with the issue. Yuan Peng said that the current cross-Straits strategy is a "three-step program," with the Three Links as the first step, addressing the question of Taiwan's international space as the second step and the issue of sovereignty reserved for last. "We are only at the end of the first step," he told PolOff. Consideration of the sovereignty step "is very far away."

16. (C) Xu Shiquan, Secretary General of the Taiwan Studies Association, told PolOff on July 15 that he believes that the PRC should not alter its policy on allowing Taiwan international space. China can never accept concessions that

would give Taiwan the status of a country or allow dual representation, Xu averred. Therefore, if Taiwan wants to participate in the WHO or other UN organizations, it must accept "subservient" status. Xu expects that China would allow Taiwan to participate in the WHA as an observer, but argued that Taiwan should do so under the name "China, Taipei" (Zhongguo Taipei) instead of Chinese Taipei (Zhonghua Taipei). He expressed hope that the Ma administration will use the result of the March 22 referendum to refrain from another UN bid this September.

¶7. (C) Asked about PRC willingness to discuss UN membership as part of then-President Jiang Zemin's eight points issued in 1995, Xu replied that the issue could be discussed, but PRC policy should not change. (Note: In an eight-point statement issued in January 1995, Jiang said that under the one China principle, anything can be discussed.) Xu allowed that the PRC could be more flexible in non-official organizations like APEC and the International Olympic Committee. For official international organizations not affiliated with the UN, the PRC should decide on a case-by-case basis and not allow precedents, such as Taiwan's participation in the Asian Development Bank, to apply to other international organizations. At the same time, Beijing should respect Taiwan's position that arrangements for its participation in these organizations should not imply that Taiwan belongs to the PRC, Xu said.

¶8. (C) Chu said that there is "new thinking" about Taiwan sending senior officials to other international events. For example, when APEC meets in Peru in late November, some in the Mainland argue that because APEC is explicitly a group of "economies" instead of countries, Ma should be allowed to participate, partly to reward him for explicitly rejecting Taiwan independence. Such a decision would ultimately rest with President Hu Jintao, but Chu claimed that there is "thinking along these lines." CICIR's Yuan Peng said the "much, much better" atmosphere in cross-Straits relations will affect China's attitude toward Taiwan's APEC participation. He said he believes that KMT Honorary Chairman Lien Chan will lead Taiwan's APEC delegation this year, which creates "the possibility of handshakes" between the Chinese and Taiwan delegations, since Lien has already visited Beijing and met Chinese leaders. Xu Shiquan remarked that Taiwan should "not

BEIJING 00002927 003 OF 003

stir up trouble" for China by trying to send the President, Vice President, or Premier to APEC, and suggested that Straits Exchange Foundation Chair P.K. Chiang would be a suitable choice.

Diplomatic Ceasefire in Effect

¶9. (C) Several Embassy contacts say that China has tacitly accepted Ma's proposal for a "diplomatic ceasefire." CICIR's Yuan Peng said that the diplomatic recognition game is in a "time-out period." Neither Taiwan nor the PRC is looking to make any "chess moves" right now, and both would like to maintain a "freeze" on changes in other countries' diplomatic recognition, Yuan claimed. The problem with this approach, he complained, is that no one seems to have told the countries involved about the freeze, meaning Beijing must deal with Taiwan's diplomatic partners who would like to transfer diplomatic recognition to the PRC. Yuan said that it is difficult to reject suitors whom the PRC has been courting for a long time, though he did not say which countries have been in contact with China about a change in recognition.

¶10. (C) Xu Shiquan, Secretary General of the Taiwan Studies Association, told PolOff July 14 that the Mainland recognizes that Taiwan's remaining diplomatic allies are very important to the Ma administration and that a diplomatic switch would harm the positive momentum in cross-Straits relations. For this reason, Xu proposes "rules of conduct" for the

diplomatic ceasefire. They include switching to a passive posture -- rather than actively pursuing diplomatic recognition -- and ceasing "checkbook" diplomacy. Xu allowed, however, that both sides could continue to deliver pledged aid to current diplomatic allies. Xu opined that Taiwan's diplomatic partners are not really important to the Mainland and that PRC trade offices in those countries can manage most of China's interests. He noted, however, that some in the Foreign Ministry still want to score a "big success" in getting more countries to switch recognition.

Ma Transits

11. (C) Chu Shulong noted that Beijing is concerned about Ma Ying-jeou's August transits of the United States. He accepted that Ma might be received at a higher level than Chen Shui-bian was in his last two visits, but said Beijing still hopes that there will be no official reception. He said that Ma may eventually request a visit to Harvard, which would be a problem because it would remind Chinese leaders of then-President Lee Teng-hui's visit to Cornell in 1995, though he claimed that Beijing opposed Lee's visit more for the content of his speech at Cornell than for the fact of the visit. Ma would likely be much more moderate, as he was in his June interview with the New York Times, so Beijing might not react as strongly to a speech by Ma. Xu cautioned against any "upgrade" in U.S.-Taiwan relations that would be implied by allowing Ma to meet with senior U.S. officials.

RANDT